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SUBJECT: DGB AND ETUC PRESIDENT VETTER OUTLINES DGB
NATIONAL AND INTERNATIONAL POLICIES TO AMERICAN
CHAMBER OF COMMERCE

1. SUMMARY: ON OCTOBER 28, DGB PRESIDENT HEINZ OSKAR VETTER, WHO IS ALSO PRESIDENT OF THE EUROPEAN TRADE UNION FEDERATION (ETUC), PRESENTED A MAJOR SPEECH BEFORE THE AMERICAN CHAMBER OF COMMERCE IN DUSSELDORF. THIS SPEECH IS SIGNIFICANT BECAUSE HE OUTLINED TO AN AMERICAN BUSINESS AUDIENCE FOR THE FIRST TIME THE DGB'S POLICY VIEWS ON A WIDE RANGE OF ISSUES AFFECTING US INTERESTS INCLUDING LABOR MANAGEMENT CODETERMINATION IN THE FRG AND THE EUROPEAN COMMUNITY (EC), ATLANTIC ALLIANCE LABOR COOPERATION, MULTINATIONAL CORPORATIONS, AS WELL AS LABOR'S ROLE IN THE OECD, GATT TRADE NEGOTIATIONS, THE EC AND EFTA AND THE NORTH-SOUTH DIALOGUE. THIS SPEECH REFLECTS THE POLICIES APPROVED BY THE DGB AT ITS LAST TRIENNIAL CONVENTION AND REFLECTS THE OBJECTIVES THE DGB WILL PURSUE IN ITS INTERNATIONAL ACTIVITIES AND IN THE FRG DURING THE NEXT THREE YEARS. END SUMMARY.

2. TEXT OF VETTER SPEECH FOLLOWS:

QUOTE: LADIES AND GENTLEMEN: ONE OF THE MAJOR PRINCIPLES OF THE GERMAN TRADE UNION PHILOSOPHY IS THE IDEA OF THE UNIFIED TRADE UNION MOVEMENT. THIS APPROACH EMBODIES IDEAS ON THE STRUCTURE AND THE ROLE OF THE TRADE UNIONS IN THE SOCIETY AS A WHOLE AS WELL AS A PHILOSOPHY WHICH HAS BEEN DEVELOPED ON THE BASIS OF HISTORICAL EXPERIENCES IN GERMANY, PARTICULARLY DURING THE PERIOD BETWEEN THE TWO WORLD WARS. IT OPPOSES THE DIVISION OF THE LABOR MOVEMENT ALONG LINES OF POLITICAL ORIENTATION AND OCCUPATIONAL GROUPS. IT OPPOSES ANY FORM OF DEPENDENCE UPON POLITICAL PARTIES. IT ADVOCATES A "NORMATIVE" ROLE OF THE TRADE UNIONS IN THE SOCIO-POLITICAL DEVELOPMENT OF OUR STATE VIS-A-VIS THE WORKERS, A ROLE WHICH SOMETIMES GOES BEYOND THE IMMEDIATE REPRESENTATION OF OUR MEMBERS' INTERESTS.

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ON THE BASIS OF THIS PRINCIPLE, THE POLITICAL ACTIVITIES OF THE DGB ON THE NATIONAL AND INTERNATIONAL LEVELS BECOME UNDERSTANDABLE. IT SHOULD BE POINTED OUT, HOWEVER, THAT THE PRINCIPLE OF INDEPENDENCE FROM POLITICAL PARTIES IS NOT IDENTICAL WITH POLITICAL NEUTRALITY. THIS MEANS THAT OUR UNIONS ARE READY TO ASSUME CO-RESPONSIBILITY FOR ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENTS AND DESIRE RESPONSIBLE PARTICIPATION IN POLITICAL DECISIONS.

REPRESENTATIVES OF SOME POLITICAL PARTIES AND EMPLOYER GROUPS TRADITIONALLY HAVE VOICED OBJECTIONS TO THIS FORM OF TRADE UNION PHILOSOPHY. SUCH RESERVATIONS EXIST TODAY, IN SPITE OF MANY POSITIVE EXPERIENCES WITH THE ROLE OF THE TRADE UNIONS IN OUR SOCIETY DURING OUR RECENT HISTORY. THEY EVEN APPEAR IN SLOGANS ALLEGING THAT WE SEEK THE "SUPREMACY OF THE TRADE UNIONS" OR A "TRADE UNION STATE".

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REGARDLESS OF THE FACT THAT SUCH CHARGES ARE NEITHER LEGAL NOR JUSTIFIED BY EXPERIENCE, PEOPLE GENERALLY DO NOT UNDERSTAND THAT THE SOCIAL COMPONENT IS ESSENTIAL, IN THE LONG RUN, TO STABLE ECONOMIC DEVELOPMENT IN OUR PRESENT INDUSTRIAL SOCIETY. PEOPLE IGNORE THE FACT THAT IGNORING WORKERS' INTERESTS LEADS TO TENSIONS RESULTING IN SOCIAL AND ECONOMIC COSTS THAT AFFECT EVERYBODY. IT IS ALSO OVERLOOKED THAT THE WORKERS' RIGHTS TO CONSULTATION IN ECONOMIC DECISIONS THAT AFFECT THEIR INTERESTS ARE NOT ONLY FUNDAMENTAL PRINCIPLES OF DEMOCRACY BUT ALSO PROVIDE A SOCIAL AND SOCIO-POLITICAL GUARANTEE THAT SUCH DECISIONS MAY BE IMPLEMENTED.

THE DEMAND OF THE GERMAN TRADE UNIONS FOR PARITY CODETERMINATION IN THE LARGE ENTERPRISES IN THE FRG MUST ALSO BE SEEN IN THIS LIGHT. IT IS, THEREFORE, ALL THE MORE INCOMPREHENSIBLE TO US WHEN SOME SECTORS CLAIM THAT THE CODETERMINATION SOLUTION IS UNCONSTITUTIONAL, OR WHEN THE AMERICAN CHAMBER OF COMMERCE -- AS OCCURRED SOME TIME AGO -- ATTEMPTS TO SUPPLY EVIDENCE THAT CODETERMINATION IS INCOMPATIBLE WITH INTERNATIONAL LAW.

ESPECIALLY IN THAT SECTOR OF OUR ECONOMY WHERE WE HAVE MORE THAN 25 YEARS' EXPERIENCE -- NAMELY IN THE COAL AND STEEL INDUSTRIES -- WE HAVE BEEN ABLE TO RESOLVE A NUMBER OF SERIOUS CRISES THROUGH UNION PARTICIPATION IN DECISION-MAKING AND CORESPONSIBILITY FOR THESE DECISIONS. BEFORE WE HAD THIS SYTEM, THESE CRISES UNDOUBTEDLY WOULD HAVE LED TO SOCIAL AND ECONOMIC TENSIONS WITH REVOLUTIONARY IMPLICATIONS. BASED ON THESE EXPERIENCES, WE BELIEVE IT IS NECESSARY TO EXTEND OUR CONCEPT OF CODETERMINATION TO ALL INDUSTRIAL SECTORS IN THIS COUNTRY. THE CODETERMINATION LAW

PASSED BY THE BUNDESTAG DURING ITS LAST LEGISLATIVE PERIOD IS A STEP TOWARD THIS DIRECTION. HOWEVER, FROM OUR POINT OF VIEW, IT STILL DOES NOT REPRESENT A SATISFACTORY SOLUTION.

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THE FEDERAL REPUBLIC OF GERMANY IS A COUNTRY WITH AN OPEN ECONOMY. FOREIGN TRADE ACCOUNTS FOR 18 PERCENT OF ITS GNP AND WE ESTIMATE THAT ABOUT 30 PERCENT OF ALL JOBS DIRECTLY OR INDIRECTLY DEPENDS UPON EXPORTS. THIS FACT ALONE WOULD BE SUFFICIENT TO EXPLAIN THE ORIENTATION OF THE GERMAN TRADE UNIONS TOWARD FOREIGN AFFAIRS.

THE REASONS FOR THE INTERNATIONAL ACTIVITIES OF THE DGB, HOWEVER, LIE MUCH DEEPER. AT THE DGB FOUNDING CONVENTION IN 1949, AT A TIME WHEN THERE WAS LITTLE TALK OF INTERNATIONAL TRADE AND INVESTMENT AND WHEN THE PRINCIPAL PROBLEM WAS RECONSTRUCTING THE GERMAN ECONOMY, THE DGB ADVOCATED INCREASED INTERNATIONAL TRADE RELATIONS AND EUROPEAN INTEGRATION. THIS WAS SUPPORTED BY THE CONVICTION THAT SUCH A DEVELOPMENT WOULD CONTRIBUTE TO A MAJOR IMPROVEMENT OF THE LIVING AND WORKING CONDITIONS OF THE WORKERS HERE AND ABROAD. IT WAS A NATURAL ASSUMPTION THAT TRADE WOULD NOT BE CONSIDERED AS AN END IN ITSELF, BUT WOULD INCLUDE FROM THE VERY BEGINNING RECOGNITION OF THE INTERESTS OF THE WORKING PEOPLE.

THIS RESULTED IN THE NEED FOR AN INTERNATIONAL COOPERATION BETWEEN TRADE UNIONS.

THE HISTORY OF THE INTERNATIONAL LABOR MOVEMENT SINCE 1945 PROVIDES CONCRETE EXAMPLES OF SUCCESSFUL COOPERATION BETWEEN THE TRADE UNIONS IN NORTH AMERICA AND EUROPE. THIS APPLIES PARTICULARLY TO THE RECONSTRUCTION YEARS AFTER WORLD WAR II AND THE SUBSEQUENT PERIOD OF CLOSE TRADE UNION COOPERATION IN THE ATLANTIC ALLIANCE.

NOT ONLY THE GERMAN TRADE UNIONS, BUT ALSO THE GERMAN ECONOMY COULD NOT HAVE DEVELOPED TO THEIR PRESENT POSITION, NATIONALLY AND INTERNATIONALLY, WITHOUT THE SUPPORT OF THE AMERICAN TRADE UNIONS IN THIS PHASE OF MAJOR HISTORICAL IMPORTANCE. THE IMPACT OF THIS SUPPORT IS FELT EVEN TODAY.

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IMMEDIATELY AFTER THE END OF WAR BRITISH AND AMERICAN
TRADE UNIONISTS CAME TO OUR COUNTRY TOGETHER WITH THE

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MILITARY GOVERNMENTS. THEY WERE CONVINCED THAT
A DEMOCRATIC GOVERNMENT IN GERMANY COULD DEVELOP ONLY
IF IT WERE SUPPORTED BY THE TRADE UNIONS.

THE AMERICAN TRADE UNIONS ALSO PLAYED A MAJOR ROLE IN
THE FOUNDING AND SHAPING OF THE FREE INTERNATIONAL
LABOR MOVEMENT IN THE FOLLOWING YEARS. UNFORTUNATELY,
THE INVOLVEMENT OF THE AMERICAN NATIONAL LABOR CENTER,
THE AFL-CIO, IN THE INTERNATIONAL SPHERE HAS DECLINED
IN RECENT YEARS. ITS WITHDRAWAL FROM THE ICFTU, FOR
WHICH THERE ARE A NUMBER OF REASONS -- OTHER THAN THE
FREQUENTLY MENTIONED DIFFERENCES OF VIEWS OVER THE
POLICY OF DETENTE -- CREATED A GAP. THE DGB HAS BEEN
TRYING ACTIVELY IN RECENT YEARS TO FILL THIS GAP AND IT
WILL CONTINUE IN THE FUTURE. THEREFORE, WE HAVE
WELCOMED THE ENTRY OF THE AFL-CIO TO THE OECD
ADVISORY COMMITTEE. WE SERIOUSLY HOPE THAT THE JOINT
ACTIVITY OF THE DGB AND THE AFL-CIO WITHIN THE FRAME-
WORK OF THE ILO WILL ALSO STAND THE TEST IN THE
FUTURE.

NEVERTHELESS, A FALSE IMPRESSION WOULD ARISE IF THE
INTENSITY OF GERMAN-AMERICAN TRADE UNION RELATIONS
WERE MEASURED BY THE RELATIONS BETWEEN THE AFL-CIO
AND THE DGB ALONE. INDIVIDUAL GERMAN AND AMERICAN
UNIONS MAINTAIN INTENSIVE CONTACTS WITHIN THE FRAME-
WORK OF THE INTERNATIONAL TRADE SECRETARIATS. THESE
RELATIONS WERE NOT IMPAIRED BY THE WITHDRAWAL OF THE
AFL-CIO FROM THE ICFTU; THEY HAVE EVEN BEEN INTENSI-
FIED IN THE COURSE OF THE PAST YEARS.

THIS TRADE UNION COOPERATION IS ALL THE MORE IMPORTANT
SINCE WE ARE CONFRONTED INCREASINGLY WITH MORE COM-
PREHENSIVE ECONOMIC INTEGRATION WHICH HAS A DIRECT
IMPACT ON OUR LABOR MARKETS. WE ALL KNOW THE VOLUME
OF AMERICAN DIRECT INVESTMENTS IN THE FRG. MEASURED
BY THE BOOK VALUE OF AMERICAN "DAUGHTER FIRMS" IN THE
FRG, WE RANK THIRD AFTER CANADA AND GREAT BRITAIN.
ON THE OTHER HAND, DIRECT INVESTMENTS FROM THE FRG
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TO THE USA HAVE INCREASED SINCE 1974.

I ALREADY MENTIONED THAT THE GERMAN TRADE UNIONS HAVE CLEARLY ADVOCATED AN EXPANSION OF INTERNATIONAL ECONOMIC RELATIONS SINCE THE END OF THE WAR. WE UNDERSTOOD THAT THIS WOULD IMPROVE THE ECONOMIC AND SOCIAL SITUATION OF THE WORKERS. AS TRADE UNIONISTS, WE HAVE A COMMITMENT TO OURSELVES AND TO OUR MEMBERSHIP TO REVIEW THE QUESTION CONSTANTLY AS TO WHETHER WE ARE ACHIEVING THIS OBJECTIVE. IN RECENT YEARS THIS PROBLEM HAS BECOME IMPORTANT WITHIN THE FRAMEWORK OF OUR DISCUSSIONS ON MULTINATIONAL CORPORATIONS. NO ONE WILL DENY TODAY THAT THE MULTINATIONALS HAVE MADE A MAJOR CONTRIBUTION TO THE ECONOMIC DEVELOPMENT IN NORTH AMERICA AND WESTERN EUROPE.

BUT THERE ARE ALSO NUMEROUS EXAMPLES WHERE IT IS CLEAR THAT THEIR ACTIVITIES NEED CLOSER DEMOCRATIC CONTROLS, NOT ONLY IN THE INTEREST OF THE WORKERS INVOLVED, BUT ALSO IN THE INTEREST OF AN EFFICIENT IMPLEMENTATION OF NATIONAL AND INTERNATIONAL ECONOMIC POLICY GOALS.

WE THEREFORE WELCOMED THE OECD INITIATIVE TO WORK OUT A CODE OF CONDUCT FOR MULTINATIONAL CORPORATIONS, ALTHOUGH WE PREFERRED MORE BINDING REGULATIONS. WE EXPECT, HOWEVER, THAT THE MAJOR COMPANIES WILL IMPLEMENT THE IDEAS CONTAINED IN THE OECD CODE. WE WILL OBSERVE WITH INTEREST THIS EXAMPLE OF HOW AN AGREEMENT OF THIS KIND MAY RESULT IN PRACTICAL RESULTS.

ON THE ISSUES OF INTERNATIONAL MOVEMENTS OF CAPITAL AND ALSO IN INTERNATIONAL TRADE RELATIONS, THE ALTERNATIVE OF FREE TRADE OR PROTECTIONISM BECOMES A PROBLEM AGAIN. PARTICULARLY IN PERIODS OF ECONOMIC RECESSION, DEMANDS FOR PROTECTIONIST MEASURES ARE RAISED, NOT ONLY ON THE PART OF THE TRADE UNIONS, WHICH FEAR THE LOSS OF JOBS, BUT ALSO ON THE PART OF THE INDUSTRIES INVOLVED. FREQUENTLY, ONE SIDE OR THE OTHER IS AFFECTED AND DEMANDS PROTECTIONIST MEASURES.

THIS PROBLEM IS AS OLD AS INTERNATIONAL TRADE ITSELF.
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IN THE 19TH CENTURY, A FRENCH ECONOMIST DESCRIBED THE

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SITUATION IN WHICH THE PRODUCERS OF CANDLES AND LAMPS ASKED THEIR GOVERNMENT FOR LEGAL PROTECTION OF THEIR INDUSTRY AGAINST A FOREIGN COMPETITOR WHO JEOPARDIZED THEIR PRODUCTION. THE BILL, WHICH THEY PROPOSED, CALLED FOR THE BLACK-OUT OF ALL WINDOWS IN FRENCH HOUSES. IN THIS CASE, THE DANGEROUS FOREIGN COMPETITOR OF THE CANDLE AND LAMP MANUFACTURERS ACTUALLY WAS THE SUN. THIS EXAMPLE, HOWEVER, IS NOT DESIGNED TO RIDICULE THE PROTECTION OF MANUFACTURING FIRMS AND JOBS BUT ONLY TO WARN AGAINST EXTREME REACTIONS. THE INTERNATIONAL LABOR MOVEMENT TOOK A POSITION ON SUCH ISSUES A LONG TIME AGO. WE BELIEVE THAT THE ADVANTAGES FOR THE ECONOMY THROUGH INTERNATIONAL TRADE RELATIONS SHOULD NOT LEAD TO SOCIAL DISADVANTAGES AT THE EXPENSE OF THE WORKERS. BUT WE ALSO BELIEVE THAT THESE COSTS CANNOT ULTIMATELY BE PREVENTED BY PROTECTIONIST MEASURES. THEREFORE, WE HAVE ADVOCATED THE CREATION OF AN ADJUSTMENT MECHANISM WHICH WOULD EFFECTIVELY ABSORB THE DISADVANTAGES OF INTERNATIONAL TRADE RELATIONS WHICH FREQUENTLY HAVE A SPECIAL REGIONAL IMPACT. THIS WE HAVE DONE ON THE NATIONAL LEVEL. WE HAVE ALSO RAISED IT IN CONNECTION WITH THE MULTILATERAL TRADE NEGOTIATIONS WITHIN THE FRAMEWORK OF GATT. A SOCIAL CLAUSE SHOULD BE ADDED TO THE SECURITY CLAUSE CONTAINED IN ARTICLE 19 OF THE AGREEMENT WHICH IS NOW UNDER DISCUSSION. THESE ADJUSTMENT MEASURES ON THE INTERNATIONAL LEVEL ARE NEEDED TO ABSORB THE NEGATIVE SOCIAL EFFECTS OF INTERNATIONAL TRADE. A COMMISSION COMPOSED OF LABOR, MANAGEMENT AND GOVERNMENT REPRESENTATIVES SHOULD BE ENTRUSTED WITH CARRYING OUT SUCH MEASURES. IN MY VIEW, SUCH A SYSTEM WOULD COUNTER A NUMBER OF ARGUMENTS USED TODAY TO JUSTIFY PROTECTIONIST DEMANDS AND WOULD SERVE TO PROMOTE A SOCIALLY AND ECONOMICALLY BALANCED DEVELOPMENT OF INTERNATIONAL TRADE RELATIONS.

EUROPE LIES BEFORE OUR FRONT DOOR. AS I ALREADY MENTIONED, THE DGB HAS LONG BEEN AN ADVOCATE OF THE
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EUROPEAN IDEA. BEFORE THE CONCLUSION OF THE ROME TREATIES, THE DGB IN COOPERATION WITH THE ICFTU TRADE UNIONS FROM SIX EUROPEAN COUNTRIES, CALLED FOR THE DEVELOPMENT OF PLANS FOR A SOCIAL POLICY FOUNDATION OF THE COMMON MARKET AND A POLITICALLY

UNITED EUROPE. UNFORTUNATELY, THE ROME TREATIES LARGE-
LY BY-PASSED THESE ISSUES. WE
BELIEVE THAT THIS IS ANOTHER REASON THAT THE ECONOMIC
AND POLITICAL INTEGRATION OF EUROPE HAS NOT BEEN
ACHIEVED AS FAST AS WOULD HAVE BEEN DESIRABLE.

THE EUROPEAN TRADE UNIONS HAVE SUPPORTED A GROWING
NUMBER OF INITIATIVES SINCE THE FOUNDATION OF THE
EUROPEAN TRADE UNION CONFEDERATION (ETUC) WHICH
HAVE LED TO SUPPORT OF THE PROCESS OF EUROPEAN INTE-
GRATION. HOWEVER, THE MAJOR DIFFERENCES OF VIEWS
BETWEEN VARIOUS AFFILIATED UNIONS OF THE ETUC REGARD-
ING TRADE UNION, SOCIAL AND PHILOSOPHICAL ISSUES
MUST BE RESOLVED FIRST. THESE DIFFERENCES IN THE
ETUC, WHICH TODAY INCLUDES 19 NATIONS, 33 NATIONAL
TRADE UNION CENTERS AND SLIGHTLY FEWER THAN 40
MILLION MEMBERS, HAVE DEVELOPED ON THE BASIS OF MORE
THAN 100 YEARS OF HISTORY AND HAVE INFLUENCED THE
TRADE UNIONS IN THEIR PHILOSOPHY AND THINKING WITHIN
THEIR RESPECTIVE COUNTRIES. WE HAVE ACHIEVED THE SOLU-
TION OF THIS PROBLEM WITHIN A COMPARATIVELY SHORT
PERIOD SINCE WE CAME TO REALIZE VERY RAPIDLY THAT OUR
NATIONAL INTERESTS IN MANY RESPECTS CANNOT BE
SEPARATED ANY LONGER FROM OUR EUROPEAN TASKS.

DEVELOPMENTS IN THE AREA OF ECONOMIC DEMOCRACY DEMON-
STRATE THIS UNDERSTANDING AND ARE AN EXAMPLE OF THE
COMMON APPROACH AMONG ETUC MEMBERS. THE UNDERSTANDING
HAS GROWN IN WESTERN EUROPE AND AMONG ITS TRADE UNIONS
THAT IT IS NECESSARY TO CHANGE THE EXISTING POWER
STRUCTURE TO REPRESENT MORE EFFECTIVELY THE WORKERS'
INTERESTS. AN EFFECTIVE CONTROL OF ECONOMIC DECISIONS
BY THE TRADE UNIONS IS THEREFORE REQUESTED IN ALMOST
ALL EC COUNTRIES. IN THIS CONNECTION IT SHOULD BE MADE
CLEAR THAT GERMAN CONDITIONS AND THE GERMAN CODETERMINA-
TION MODEL CANNOT AND SHOULD NOT BE TRANSFERRED TO ALL
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OF EUROPE. THE GERMAN UNIONS HAVE NEVER CLAIMED THAT
OUR CODETERMINATION MODEL IS AN EXPORT ARTICLE. THIS
WOULD BE UNREALISTIC IN VIEW OF THE EXISTING SOCIAL
AND POLITICAL DIFFERENCES IN EUROPEAN COUNTRIES. IN

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ALMOST EVERY COUNTRY, WE FIND DIFFERENT IDEAS ON THE REPRESENTATION OF WORKER INTERESTS IN BUSINESS ENTERPRISES. THESE DIFFERENT VIEWS AND ATTITUDES REFLECT SPECIFIC POLITICAL AND SOCIAL CONDITIONS AND STRUCTURES. NEVERTHELESS, WHATEVER THE DIFFERENCES AND INDIVIDUAL COUNTRY INITIATIVES MAY BE, ALL OF THEM AIM AT OBTAINING MORE INFORMATION ON BUSINESS POLICY DECISIONS WHICH DIRECTLY AFFECT WORKER INTERESTS AND AT SECURING A GREATER INFLUENCE IN MANAGEMENT DECISIONS, EITHER THROUGH PARTICIPATION IN SUCH DECISIONS OR THROUGH THEIR CONTROL.

THE INCREASING ECONOMIC INTEGRATION OF THE EUROPEAN COUNTRIES GIVES THE ISSUES OF THE SOCIAL STRUCTURE AND LABOR PARTICIPATION IN BUSINESS POLICY A EUROPEAN-WIDE SIGNIFICANCE. IN THIS CONNECTION, THE UNIONS ASK FOR PARTICIPATION RIGHTS OF WORKERS IN EUROPEAN MULTINATIONAL CORPORATIONS. IT CANNOT BE DENIED THAT THE CENTRAL MANAGEMENT POWER OF MULTINATIONAL CORPORATIONS NOT ONLY REDUCES THE AUTHORITY OF THE MANAGEMENT OF THE DEPENDENT COMPANIES IN MANY COUNTRIES, BUT ALSO THREATENS A REDUCTION OF EXISTING NATIONAL CODETERMINATION AND PARTICIPATION RIGHTS OF WORKERS IN THESE DEPENDENT COMPANIES. IN THE VIEW OF THE ETUC, THE CREATION OF COORDINATED CORPORATION LEGISLATION IS ONE OF THE MAJOR PREREQUISITES FOR SECURING THE RIGHTS OF THE WORKERS IN SUCH COMPANIES. SUCH PROVISIONS SHOULD SET BINDING RULES ON THE RELATIONS BETWEEN THE MULTINATIONALS AND THEIR DEPENDENT COMPANIES. PROVISIONS GOVERNING THE RIGHTS OF WORKER REPRESENTATIVES IN THESE COMPANIES SHOULD BE MADE PART OF A EUROPEAN CORPORATION LAW.

SUCH A COORDINATED COMPANY LAW SHOULD BE VALID FOR ALL MEMBER STATES OF THE EC AND EFTA.

IT HAS ALSO BECOME EVIDENT IN THE SPHERE OF ECONOMIC AND EMPLOYMENT POLICY THAT THE EUROPEAN TRADE UNIONS ARE IN A POSITION TO SPEAK WITH ONE VOICE. THIS BECAME UNCLASSIFIED
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PARTICULARLY CLEAR ON THE OCCASION OF ETUC SPONSORED TRIPARTITE CONFERENCES WITHIN THE FRAMEWORK OF THE EC.

WE HAVE LONG BEEN FIGHTING FOR THE CONVENING OF A EUROPEAN SOCIAL CONFERENCE. ON THE BASIS OF OUR DEMAND, ADDRESSED TO THE EUROPEAN COUNCIL OF THE HEADS OF GOVERNMENT, THE FIRST TRIPARTITE ECONOMIC AND SOCIAL CONFERENCE WAS HELD IN NOVEMBER LAST YEAR. ON THAT OCCASION, THE TRADE UNIONS REQUESTED ESTABLISHMENT OF A EUROPEAN COMMUNITY ANALYSIS OF THE PRESENT

ECONOMIC AND EMPLOYMENT SITUATION AND THE PREPARATION
OF PROPOSALS TO SOLVE THE EXISTING PROBLEMS. THIS
PROGRAM SERVED AS A BASIS TO PREPARE FOR THE SECOND
ECONOMIC AND SOCIAL CONFERENCE HELD IN JUNE 1976
WITH THE PARTICIPATION OF GOVERNMENT, LABOR AND
MANAGEMENT REPRESENTATIVES WITHIN THE FRAMEWORK OF THE
EC. IN A JOINT FINAL DECLARATION ALL THREE GROUPS
INVOLVED COMMITTED THEMSELVES TO STRIVE TOWARD A
SUBSTANTIAL REDUCTION IN UNEMPLOYMENT BY 1978,
ACHIEVEMENT OF FULL EMPLOYMENT BY 1980 AND REDUCTION
OF THE AVERAGE INFLATION RATE IN EUROPE TO 4.5 PERCENT.

NOW IT IS TIME TO TRANSLATE THESE DECLARED INTENTIONS

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 3925

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION USBERLIN

AMEMBASSY BERLIN

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION NATO BRUSSELS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY VIENNA
AMEMBASSY STOCKHOLM
AMEMBASSY HELSINKI
AMEMBASSY DUBLIN
AMEMBASSY MADRID

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INTO ACTION. THE ETUC EXPECTS ALL GROUPS INVOLVED TO WORK ENERGETICALLY TOWARD ACHIEVING THIS OBJECTIVE. THE ETUC IS PREPARED TO ENGAGE IN THESE KINDS OF GOVERNMENT, LABOR AND EMPLOYER CONSULTATIONS. THIS DOES NOT MEAN, HOWEVER, THAT ITS AFFILIATED ORGANIZATIONS HAVE GIVEN UP COMPLETELY USING TRADITIONAL METHODS TO SOLVE CONFLICTS OF INTEREST. UNLESS GOVERNMENTS AND EMPLOYERS FULLY ABIDE BY THEIR COMMITMENTS ASSUMED IN LUXEMBOURG, THE TRADE UNIONS WILL BE FORCED AGAIN TO RESORT TO SUCH TRADITIONAL MEASURES.

WHAT WE STARTED IN LUXEMBOURG WITHIN THE FRAMEWORK OF THE EC SHOULD BE EXTENDED TO THE EFTA REGION. OUR AFFILIATED ORGANIZATIONS FROM THESE COUNTRIES ARE MAKING EFFORTS NOW TO PUSH THROUGH APPROPRIATE MEASURES TO ACHIEVE FULL EMPLOYMENT AND ECONOMIC STABILITY WITHIN THE FRAMEWORK OF EFTA.

AT THIS TIME THE EUROPEAN TRADE UNIONS ARE DEALING MOSTLY WITH THEIR OWN PROBLEMS. THIS ALSO WILL BE THE CASE DURING THE COMING YEARS SINCE WE ARE WELL AWARE OF THE FACT THAT WE ARE FACING A NUMBER OF SERIOUS EUROPEAN PROBLEMS REQUIRING A MAJOR PART OF OUR ATTENTION AND ENERGY. THIS DOES NOT MEAN, HOWEVER, THAT WE WANT TO GO INTO EUROPEAN ISOLATION. I HAVE ALREADY DISCUSSED THE SIGNIFICANCE OF TRANS-ATLANTIC RELATIONS FOR EUROPE. THE ETUC ALSO GIVES MAJOR ATTENTION TO THE PROBLEMS AFFECTING THE DEVELOPING COUNTRIES, AND AT ITS COPENHAGEN CONGRESS IN MAY 1974, IT ADVOCATED A NEW DEFINITION OF THE RELATIONS BETWEEN THE DEVELOPING COUNTRIES AND EUROPE.

THE AGREEMENT OF LOME, CONCLUDED BETWEEN THE EC AND
46 STATES IN AFRICA, THE CARIBBEAN AND THE PACIFIC
(ACP), PROVIDED A START FOR THIS EFFORT.

THE EUROPEAN TRADE UNIONS HAVE WELCOMED THIS AGREEMENT.
WE BELIEVE, HOWEVER, THAT TRADE UNION PARTICIPATION IN
THE IMPLEMENTATION OF THIS AGREEMENT WOULD BE TO THE
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GREATEST BENEFIT OF ALL PARTNERS INVOLVED. THE ETUC
HAS THEREFORE ASKED THE EC TO CREATE THE NECESSARY
INSTITUTIONS AND MODALITIES FOR THIS PURPOSE. FURTHER-
MORE, FOLLOWING INITIATIVES BY THE ETUC TOGETHER WITH
THE ICFTU AND THE WCL, CONSULTATIONS HAVE TAKEN PLACE
WITH TRADE UNION REPRESENTATIVES AND THE ACP COUNTRIES
EARLY THIS YEAR FOR THE PURPOSE OF IMPLEMENTING TRADE
UNION PARTICIPATION AND THE GENERAL CONSULTATION WITH
LABOR AND EMPLOYER ORGANIZATIONS WITHIN THE FRAMEWORK
OF THE LOME AGREEMENT.

I DO NOT WANT TO CONCLUDE MY TALK WITHOUT EMPHASIZING
AGAIN THAT THE TRADE UNION MOVEMENT, EVEN IF IT HAS
NOT YET ACHIEVED THE LEVEL OF INTERNATIONALIZATION
WHICH ALREADY EXISTS ON THE EMPLOYER SIDE, DOES, NEVER-
THE LESS, REPRESENT A REALITY ON THE INTERNATIONAL AS
WELL AS ON THE NATIONAL LEVEL. THE TRADE UNIONS HAVE
ABANDONED EMPTY SOLIDARITY DECLARATIONS LONG AGO. THEY
HAVE RECOGNIZED THAT THEY WILL FACE A NUMBER OF TASKS
WHICH CANNOT BE SOLVED AT THE NATIONAL LEVEL ALONE,
AND THEY ARE PREPARED TO MEET THESE CHALLENGES.
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